

Minutes of Public Meeting
Environmental Quality Commission
Room 131 Capitol Annex, Frankfort, Ky.
September 25, 2001--1 p.m. to 4:30 p.m.

EQC Commissioners and Staff Present

Aloma Dew, Chair
Betsy Bennett, Vice-Chair
Patty Wallace
Serena Williams
Bob Riddle
Gary Revlett
Leslie Cole, Director
Erik Siegel, Assistant Director
Lola Lyle, Research Analyst

Speakers/Representatives Present

Jim Navolio, Economic Development Cabinet
Harry Carver, Governor's Office
Marshall Slagle, Northern Ky. Area Planning Comm.
Jane Hibberd, Communities by Choice
Molly Turner, Owsley County Action Team

Regrets

Jean Dorton
Frances Kirchhoff

Opening Remarks/Approval of EQC Meeting Minutes

Environmental Quality Commission (EQC) Chair Aloma Dew opened the meeting at 1 p.m. with a moment of silence in memory of the victims and families of the September 11 World Trade Center terrorist attacks.

Ms. Dew next asked for a motion on the EQC meeting minutes. A motion was made by Betsy Bennett and seconded by Gary Revlett to approve the minutes of the EQC May 21 meeting. The motion passed unanimously. A motion was then made by Betsy Bennett and seconded by Patty Wallace to approve the minutes of the EQC August 2 meeting. The motion passed unanimously.

Promoting Economic Prosperity and a Healthy Environment in Kentucky

The EQC Chair Aloma Dew next provided opening remarks about the meeting's principal agenda item. The purpose of the meeting was to review opportunities to promote growth and development in an environmentally sound manner. She noted that the economic boom, which began in 1992 and has been the longest in U.S. history, ending just this year, has helped to fuel economic expansion and growth across the Commonwealth. Kentucky's gross state product has increased every year since 1986 and grew 34 percent between 1990 and 1998. Last year, 1,017 companies located or expanded in Kentucky resulting in 24,351 net new jobs and investments estimated at more than \$4 billion. Kentucky also ranked fifth in the nation for new/expanded facilities and tenth for capital investment per one million residents.

While this is good news, economic and population growth over the past decade have also contributed to urban sprawl, loss of farmland and the degradation of natural, cultural and environmental resources impairing the health and well-being of communities across the Commonwealth. Kentucky has developed its land more rapidly per capita than any other state during the past 10 years (with the exception of Pennsylvania and West Virginia). On average, 109 acres are converted every day to urban areas and roads in Kentucky.

Ms. Dew said the discussion about growth and development will focus on the role of the Economic Development Cabinet in promoting sound development, a report from the Smart Growth Task Force and presentations on the local role in promoting sustainable development.

**Consideration of Environmental Factors when Recruiting and Siting Industrial Facilities
Jim Navolio, Commissioner of the Department of Business Development with the Kentucky Cabinet for Economic Development.**

Ms. Dew introduced the first speaker, Mr. Jim Navolio, Commissioner of the Department of Business Development with the Kentucky Cabinet for Economic Development. Mr. Navolio noted that the mission of the Economic Development Cabinet is to create more and higher quality opportunities for all Kentuckians by building and expanding a sustainable economy. The Economic Development Cabinet works with companies it feels will be good corporate citizens providing quality jobs to Kentuckians. The Economic Development Cabinet works with clients and the Natural Resources Cabinet to make sure companies know the rules and follow the rules.

Mr. Navolio stated the goals of the strategic planning process are to reduce unemployment and increase per capita income, create a globally competitive business climate and manage Kentucky's natural resources to ensure long-term quality of life. Mr. Navolio reviewed how Kentucky considers environmental factors when recruiting and siting industrial facilities and other development projects. In the initial confidential stages of a project, the company is asked about its requirements and processes including environmental issues such as quantity of water needed, amount and composition of wastewater, and volume and nature of air emissions. The companies review various locations based on evaluations conducted by the Cabinet of Economic Development and through independent research. Mr. Navolio noted that many communities provide their own information to companies through web sites and other media. The role of local economic development groups is to sell the community and evaluate the match between the community and the prospect. The Economic Development Cabinet works closely with the Natural Resources Cabinet in assessing environmental factors to ensure these facilities will meet environmental rules and regulations.

A question and answer session followed Mr. Navolio's presentation.

Question: Do you have anything to do with approving power plants or dealing with power plants?

Response: We don't directly have anything to do with power plants. We have been asked in the past to offer incentives to some of these gas-fired generating power plants, but we have steadfastly refused. First of all, we don't think that the utility business should be eligible for incentives. However, in the last session of the General Assembly there was legislation passed that made coal-fired generating plants eligible for the Kentucky Rural Economic Development Act (KREDA) program incentives. I can't recall the number of the bill that was passed, but there is a law in place that makes Kentucky coal-fired plants eligible for KREDA. So, to that extent we are.

Question: So then you are involved with some of the new plants that are being constructed?

Response: Only if they are Kentucky coal-fired.

Question: Is there any kind of provision that those plants need to be incorporated in the state of Kentucky? What kind of background checks do you do on them?

Response: I don't believe that there is a background check per say, but they have to use Kentucky coal. The purpose of the legislation is to encourage the use of Kentucky coal.

Question: For any particular period of time, or indefinitely, or?

Response: The KREDA program is a 15-year program. The KREDA program is the strongest incentive program we have and it's only available to those Kentucky counties that have

unemployment higher than the state average for 5 consecutive years. This law made the coal-fired power plants eligible regardless of where they are located.

Question: Do you do the regular environmental assessments or checks with Natural Resources?

Response: I understand there are some air permitting problems or questions relating to air quality going on as we speak.

Question: It sounded like what you were saying is that you have certain criteria that they must meet when you talk with them and have a clear plan of what they plan to do in the state. I know of at least one power plant for which that is not the case. Even they don't seem to know what they are going to do, but they do say they are going to use Kentucky coal. They are incorporated out of state for tax purposes and it seemed me that that might create some problems.

Response: Let me further explain what we do. We are in the jobs business. Our mission and role is to help create an environment where companies can operate successfully and create job opportunities for our citizens. That's our job. We don't care whether the company is incorporated. It makes no difference to us. We've got foreign ownership with a lot of plants that provide job opportunities in Kentucky. We don't care about the stock ownership in the company. However, we will never knowingly enter into any kind of discussion with a company that we know to be a bad actor. But by the same token, we have our role clearly defined. In the case of the power plants that I am aware of, I only know of 2 that we have offered the KREDA incentive to and that was because of the law that was passed. As far as what the ownership is, where it's located, what the status of their air quality permit is - that's not an issue for which we are concerned.

Question: How do you decide which industries to recruit?

Response: That's a very good question. I will tell you that a few years ago we did something called a targeted industry analysis. What that meant was we put in Kentucky's assets and did research to see what companies would fit in Kentucky. It pretty much validated what our opinions were. Whether we like it or not, we find ourselves in the center of the new "auto alley." We are right in the middle of the automotive industry. We have two very large automotive producers in the state. We have a prestigious producer with the Corvette. Toyota and Ford both employ over 10,000 people in Kentucky. The best selling car in the country is manufactured here - the Camry. So that is obviously a factor. There are about 300 auto parts suppliers in the state. We also try to recruit companies that fit into specific regions of the state. Automotive is the key industry, telecommunications infrastructure - there are several of these kinds of things that we target for development. For a local economic development perspective, that's not always the case. You've heard the statement "all politics is local." Well, all economic development is eventually local. Our job is to encourage the company to locate in the state of Kentucky. Where they locate within the state is of no consequence to us; that's between the company and the local people. We have communities within the state that wouldn't say no to any industry because they want the jobs so badly. We have other communities in the state that take an entirely different outlook and are very selective in what companies they allow. Those are local decisions we try not to influence those decisions at all.

Question: Do you have any specific criteria to decide what companies are eligible for the incentives?

Response: The incentive programs themselves limit what companies are eligible and limit what local communities the specific programs can be used in. As I said, KREDA is limited to those counties having unemployment higher than the state average for 5 consecutive years. We have another program that is available anywhere. We have another program that is for non-

manufacturing businesses. In order to qualify, a company must have at least 15 jobs and \$100,000 capital investment. They are not entitlement programs, they are incentive programs.

Question: Does the Cabinet for Economic Development have programs to assist existing and new small businesses in Kentucky?

Response: That's a very good question. There are entrepreneur programs in the Department of Community Development. I am only responsible for new business. We have a Department that has a budget twice the size of mine with a staff that is about three times the size of mine that is dedicated to helping existing businesses grow. Through that department there is an entrepreneurial division to help small companies in these communities to grow.

Question: There have been proposals in the General Assembly proposing follow-up visits to see if the incentives given to companies result in the number and types of stipulated by the incentive contract. Is that something the Cabinet would have a problem with?

Response: No, we don't have a problem with that at all. We have a monitoring division in our financial incentives department that does exactly that. But one thing that people have to understand about our incentive programs is that they are essentially self-policing. When we offer an incentive to a company, we don't write them a check. We make it possible for them to get a tax credit on their corporate income tax and a wage assessment on their job. In order to do that, they've got to hire people, put them to work, and make a profit. So we are not writing a check to companies and then saying you didn't do what you said you were going to do we are going to have to come get that money back. Our incentive programs are so beautifully structured, in my opinion, that they don't need that. If you go back to 1985 to when the Toyota deal was done, and it's turned out to be the best deal ever done in this state, the Commonwealth had at risk \$146 million. That money was at risk; it was cash. Now if it didn't work, you lost that money. But our incentive programs don't do that. There is a monitoring division in the Department of Financial Incentives that does exactly what you say. They check the companies to make sure they've done exactly what they said they were going to do, but they can't get the incentive anyway unless they say they are going to do it.

Question: Are you recruiting for the Transpark in Bowling Green, and, if so, what kind of kind of companies?

Response: We don't discuss active projects. The answer to your question is yes. We are recruiting for the Transpark in Bowling Green. I can't tell you because of the confidentiality of the project what kind of project it is, except to tell you it is an industrial company - a manufacturing company.

Question: How can the public play a role in the process?

Response: In that process? If the public were to play a role in our recruitment process we just might as well close the doors. Because companies insist on confidentiality for many reasons such as security and exchange commission reasons why they insist on that, there are competitive reasons why. The companies that come to us working on a project will come to us with the understanding that we will keep everything confidential during the process.

Report from the Smart Growth Task Force

Harry Carver, Special Assistant to the Governor

Next, the Chair introduced Mr. Harry Carver, Special Assistant to the Governor. Mr. Carver discussed the progress of the Governor's Smart Growth Task Force, created by the Governor Paul Patton in May of 2001, and addressed urban sprawl and other development concerns. Mr. Carver stated that one of the goals of this administration is to put Kentuckians on the path to achieving economic opportunity and a standard of living about the national average in 20 years. The focus

in this administration is education, the economy, and elevating environmental concerns. The guiding principles of the task force are that natural, agricultural and cultural resources valuable and central to quality of life in Kentucky; that private property interests should be recognized and preserved; and decision-making should be locally controlled. Smart growth does not mean no growth. There are 35 members on the task force--a diverse group from all walks of life within the Commonwealth. The work of the task force was divided into five work committees:

1. Agriculture, Wildlife, and The Environment;
2. Planning Issues;
3. Transportation and Corridor Management;
4. Community Development and Design;
5. Economic Development.

The work committees were charged to identify issues that related to growth and landuse. These committees have met over the course of the summer and had 15 community forums, one in each Area Development District (ADD). The task force met on September 17 to receive the reports of these work committees, and are now in the process of drafting the Task Force report. One of the things that keeps coming up when talking about trying to balance the growth and preservation is the quality of the area. With new technologies, folks can locate businesses almost anywhere. To try to attract those kinds of industries, Kentucky needs to make sure, not only that we have a qualified workforce, but that we have a place that people want to live. A place where natural beauty is preserved and folks can maintain the quality of life that they like.

Mr. Carver gave a PowerPoint presentation of the Smart Growth Task Force highlighting the five work committees.

Agriculture, Wildlife and the Environment Committee

- ☐ Development of statewide strategic plan to preserve and conserve those resources and assets identified and inventoried, which should be coordinated with local comprehensive plans
- ☐ Creation of sustained, substantial and dedicated statewide funding initiative(s) for acquisition of property and/or interests consistent with the strategic plan
- ☐ Enhancement of sustained economic viability of agriculture and forestry
- ☐ Improved environmental and planning education at all levels
- ☐ Provide incentive for counties to incorporate agricultural and environmental components within Comprehensive Plans and Land Development Codes
- ☐ Support the recommendations of the planning committee that countywide planning be adopted in each county
- ☐ Preserve the rural heritage of Kentucky
- ☐ Preserve and enhance environmental quality in Kentucky
- ☐ State actions should apply Smart Growth principles and environmental best practices

Planning

- ☐ Education: Planning Personnel Training
 - Quick implementation of HB 55
 - Expansion to include local officials and staff engaged in planning activities
 - State level entity to coordinate training education and information issues
 - Explore training opportunities within the university system
- ☐ Education: Information Distribution and Sharing
 - Introduction of planning concepts in elementary and high schools
 - Develop "advice forums"
 - Utilization of a state level entity to address education and information
- ☐ Education: Post-Secondary Curriculum
 - Expedite U of L planning program accreditation

- Encourage development of planning programs
- Utilize virtual university
- Intern programs
- ❑ Coordination: Regional and Supra-Regional Support
 - Strengthen Regional Planning Councils
 - Encourage and assist in coordination of planning across regions
- ❑ Coordination: Community Infrastructure
 - Require local utilities to coordinate with planning commissions
 - Integrate all special districts into comprehensive planning process
 - Coordination of funding programs
 - Grant and loan programs planning incentives
- ❑ State and Local Planning Procedures
 - Encourage countywide and regional planning units
 - Continued support for independent planning units
 - Create a financial resources/technical assistance
 - Create a state level entity to assist local governments
- ❑ State and Local Planning Procedures: Assistance
 - Coordination of planning courses
 - Publication of a planning guidebook
 - Model comprehensive plans and comprehensive plan and regulation repository
 - Update list of Commonwealth planning associations
 - Training

Transportation and Corridor Management Committee

- ❑ Create Prichard-Style Smart Growth Committee
- ❑ Establish a long range statewide Smart Growth planning framework
- ❑ Establish regional planning groups with diverse membership from local communities and with review authority for local plans
- ❑ Establish countywide joint planning commissions
- ❑ Create city/county master plans that are linked to capital improvements for transportation and other infrastructure
- ❑ Allow local alternative funding sources for transportation, land use planning and implementation to support smart growth
- ❑ Establish "Renaissance Counties"
- ❑ Increase in funding for Multimodal transportation planning and implementation
- ❑ Implement transportation activities that support smart growth using the state road fund and federal transportation funding

Community Development and Design Committee

- ❑ Incentives and Finance
 - Establish a dedicated source of funds for historic preservation and community development projects
 - Create state tax credits
 - Increase funding for the Kentucky Main Street program and Renaissance Kentucky partnership
 - Target state funding entities to review grant programs and policies
 - Coordinate efforts of all state agencies to become full partners to encourage development of brownfields
 - Create incentives to encourage traditional neighborhood development
- ❑ Planning, Codes and Design
 - Activate the State Planning Office
 - Establish Smart Growth Commission
 - Adopt Smart Codes for building rehabilitation

- Initiate a statewide assessment of housing needs
- Develop model local ordinances and design guidelines
- Encourage retention and expansion of community anchors in downtowns
- Adopt revised state policies and regulations regarding school construction and location
- Encourage local communities to develop planning tools and principals that foster sustainable community development and design
- ❑ Education and Training
 - Develop an extensive public education initiative
 - Develop and coordinate comprehensive training
 - Establish a craftsman school
 - Develop and provide educational resources on community development and growth management
 - Encourage local communities to work with and develop non-profit organizations
 - Provide continuing education opportunities
- ❑ Policy and Guidelines
 - School local planning committee should be expanded to include a member of the appropriate office of local government responsible for planning/development
 - Encourage the Kentucky Board of Education (KBE) to support the concept of Smart Growth for school facility planning
 - Revise existing state guidelines to include schools in the Intergovernmental Review Process
 - Renovation projects for historic schools shall submit a feasibility study and architectural plans to the Kentucky Heritage Council
 - Representative from the local school district shall be a member of the local Renaissance/Main Street Board
 - Encourage local governments to include a school district representative in local planning initiatives
- ❑ Funding and Incentives
 - Encourage renovation projects thorough an "Aging Schools Construction Fund"
 - Explore the possibility of supplemental funding for historic schools in Main Street/Renaissance locales
 - Department of Education should fund an architect position to provide technical assistance to school local planning committees regarding Smart Growth and school facility planning
- ❑ Education and Training
 - Provide training opportunities and educational materials related to Smart Growth for architects
 - Convene a Smart Growth/Best Practices Symposium on schools

Economic Development Committee

- ❑ Brownfield Redevelopment Incentives
 - Establish an inter-agency and stakeholders working group
 - Explore brownfields insurance pool
 - State agencies to promote development of brownfield sites
 - Inventory brownfields
 - State programs should provide certainty as to regulations, costs and liabilities
 - Explore tax and other financial incentives to encourage rehabilitation
- ❑ Brownfield Clean-Up
 - Clean-up standards should be reasonable, based on current science and technology and reflect standards developed by other states so as not to put Kentucky at a competitive disadvantage
- ❑ Incentives for In-Fill Redevelopment

- Smart Codes
- Tax incentives
- Review statutes regarding abandoned, unused or under-utilized property
- Enable cities and counties to levy a separate tax on abandoned, blighted or contaminated properties
- Allow local governments to partner with property owners to rehabilitate and redevelop the property and allowing for profit sharing
- Review of existing Economic Development programs to determine whether they are adequately promoting in-fill redevelopment
- Establish additional state grant and low-interest loans for redevelopment
- Amend KRS 65.680 to include in-fill development and commercial historic structures
- ❑ Tool Box for Local Planning Decisions
 - Reactivate the State Planning Committee
 - Financial assistance to local governments and their planning units
 - Amend KRS 100
 - ✓ To allow conditional zoning in all planning units
 - ✓ Re-examine the terms "agricultural use" and "subdivision"
 - Ongoing study by the State planning Committee of innovative Smart Growth Programs
- ❑ Infrastructure
 - Promote comprehensive planning in all counties and cities
 - Re-establish the State Planning Office
 - Survey existing infrastructure
 - Provide a sustainable source of funding for training and comprehensive planning
 - Coordinate comprehensive planning with infrastructure
 - Special funding for infrastructure improvement should be made available for communities with comprehensive plans
 - Continuing reviews of the status of infrastructure
- ❑ Preservation and Conservation
 - Inventory historical, archaeological, geological and biological resources
 - Establish funding to protect and preserve these resources
 - Improve funding for continued education
 - Increase the amount of property reserved and protected for these uses
 - Model ordinances
 - State funding and tax incentives for securing development rights, or fee acquisition of appropriate public lands
 - \$100,000 over five years be devoted to the purchase of development rights
 - Tax incentives up to \$250,000 per landowner
 - Qualified, well-trained professionals to craft and administer these programs

A question and answer session followed Mr. Carver's presentation.

Question: After the publication of the report, where do you go now with the Smart Growth Task Force? Do you expect to introduce any kind of legislation?

Response: The final report of the Task Force will lay out the options. It will be entirely up to the Governor for what he chooses to act upon. Some of these recommendations don't require legislative action. I imagine it will be a combination of things - not entirely legislation.

Question: You talked about a lot of different programs - Renaissance Kentucky, the Main Street Program, Brownfield Redevelopment Program, and I wasn't really sure what they all are. Are they all different, the same, or coming out of different agencies?

Response: Renaissance Kentucky is an existing program that involves a number of state agencies that work together to provide funding for cities for downtown revitalization.

Question: You used the term multi-modal transportation. Does that mean mass transit?

Response: Yes. We are not talking about just highways, which is kind of exciting.

Question: Is Jim Navolio's agency involved in the Smart Growth process?

Response: There are folks from the Economic Development Cabinet that participated in the economic development work committee.

Question: Do you feel like the task force, through the forums, accomplish the objective at least of explaining to most citizens with what the term "smart growth" means?

Response: Probably not. One of the things we talked about when the Governor created the task force was that it would be an educational process and what came out of the task force would be more of a foundation for future decision making. We all learned a lot in the course of these community forums and work committee meetings that we certainly do have our work cut out for us. You can ask any of the folks who participated in the work committees to define smart growth and you would probably get a different answer. We looked at smart growth as a way of how we are going to grow and planning for it, instead of as a specific program. I think that one of the unfortunate things is that it wasn't an exciting visual for the most part because most of the coverage we got is in the newspapers. Unfortunately, I don't think a majority of the public gets their information from the newspapers anymore. If you don't have television coverage of these events, you are not able to explain it.

Question: EQC noted in its May 21 meeting that Kentucky has an interagency Farmland Advisory Committee, which has not met in many years. Did the Smart Growth Task Force consider that committee? Do you know if the Governor has any plans for convening that committee to review projects?

Response: I cannot speak to what the Governor's plans are about that. You might know that the Agriculture committee did talk about that very issue. I know that has come up due to certain things that are happening around the state. It was not a part of their committee report so I am not sure exactly what the outcome of that discussion was that they had within that committee.

Question: Do you see a cabinet position that would deal with this issue or a permanent commission?

Response: That all depends on how the Governor chooses to act, but based on these options each of the committee's feels strongly about having a State Planning Office and that their being some kind of committee, but again that is entirely the Governor's decision.

Question: It would be a shame for all this work to have been done and not really carried through.

Response: I think there is a strong enough sense out there that it needs to continue in some form or another, so I can't imagine it not being carried through in some way.

Chair Dew remarked that one of the things said that certainly needs publicity is the fact that local control of decision making is a guiding principle of this task force. I don't think that most local communities really accept that. What I hear from local communities is that the state will protect us--the state will not let anything happen that isn't great and wonderful and they have all these protections in place, which we know is not necessarily true. That is what the local fiscal courts think. I know that some of the people on here are County Judges, but that is an important principle that has to be gotten out there. We do think that this is a great initiative that the

Governor has taken on this and it seems like a lot of hard work has gone into it. As a Commission we are very pleased to see this taking place.

Local Role in Shaping Healthy Livable Communities

Marshall Slagle with the Northern Kentucky Area Planning Commission.

The EQC Chair next introduced Marshall Slagle with the Northern Kentucky Area Planning Commission. Mr. Slagle has been with the Northern Kentucky Area Planning Commission for about 35 years. He has served as the immediate past president of the Kentucky Chapter of the American Planning Association and has served and worked with the Smart Growth Task Force. Mr. Slagle noted that how well we use our land determines the quality of our life and the quality of the environment.

Mr. Slagle gave a PowerPoint presentation on the role of the local agency in shaping healthy communities and challenges facing counties and communities in promoting sustainable growth. In the presentation Mr. Slagle said the state's urban areas are growing. The Eastern part of Kentucky and some of the areas in Western Kentucky have lost population. Most of the bigger growth areas have occurred in the area from Louisville to Lexington to Northern Kentucky. This is why we have seen more planning in the state of Kentucky in areas where attention needs to be given.

One of the most important things we have to deal with in the state is that if we are going to adopt regulations to deal with using the land, we have to first have a plan. Many states don't have those requirements. Some states consider zoning to be a comprehensive plan. In Kentucky, it is spelled out very clear what a plan is and what a plan has to contain as a minimum. Counties can choose not to have a plan. But if a community wants to adopt land use regulations, it must have a comprehensive plan as a first step, and that plan must be updated every five years. It is probably the single most important process that takes place at the local level.

In Kentucky, under KRS 100, communities have a choice as to whether they want to have a countywide joint planning unit or independent planning units. The law encourages communities to have joint planning units because if it fails, the communities end up with independent planning units. In Kentucky there are about 48 joint planning units. Twenty-six of those have full planning and zoning and about 22 have no zoning at all. They may have a joint planning commission, but the county portion has decided not to adopt other tools of implementation. We have 45 counties that have 78 independent planning units. Therefore, 93 counties have planning units and just one plan for the city by itself, and 27 that have none at all. A number of counties are now in the process of looking at this issue. In summary, we have a total of 90 counties that in some way do not have any planning and zoning. Most of the metropolitan areas such as Henderson, Paducah, Louisville, the Bluegrass area, all have joint planning units in the state.

Mr. Slagle presented what is happening in one of our counties in Northern Kentucky. He discussed Kenton County, which contains the city of Covington. It has one plan for the entire county. It is a joint planning unit and there are 19 cities involved - probably the most cities that exist in any county in Kentucky and therefore the most difficult issue to coordinate. Can you imagine having a separate planning unit for each of those cities? You would never know when you are leaving one city and entering another you see a sign telling you. We are in the process of preparing the 5-year update to this plan.

In 1950, Kenton County had a population of about 104,000. Covington was the central city with a population of about 64,000. More than half of the county's population resided in Covington at that time. Between 1950 to 1960, we saw an increase of about 16,000 people and we added about

1400 acres--a growth rate of about 16 percent. This was just prior to the construction of the interstate. Most of the growth followed waterlines. No sewers were available out in the rural areas except small systems that would serve particular developments. From 1960 to 1970, we added about 9,000 people and about 1600 acres. During this period of time, we saw the completion of I-75 through the area. Between 1970 and 1980, we added another 2,000 acres of land and we started to see the impact of highway 275 that traverses east to west through the area. Between 1980 and 1990, we saw 2,300 acres added and more development extending to the south with waterlines. From 1990 to the present, you start to see much more development in the southern portion of the county because they started putting the sewer system in that tied into the Northern Kentucky Sanitation District. Another 4,600 acres were added. During the entire 50-year period a total of about 12,000 acres were added. About 22 percent of land in the county was developed in 1950 to about 40 percent.

Water and sewer often cause increased development; highways always come last. The reason for that is that you have to build a case of why you should have more roads. It is not done in a coordinated and planned way. This not only pertains to Kenton County, but a lot of areas in the state. In 1950, there were about 8 persons per developed acre. Today, we only have 2 persons per developed acre. So we are not using our land as wisely, in some cases. We are not allowing enough alternative land use types that bring about improved quality of life. In the 1950s, when Covington was the central city and people could walk to their communities, we had a big increase in population between 1950 to 1960 but a small increase in the amount of land. As we progress to 1980-1990, we saw the population being smaller but a bigger increase in the amount of land use. In the current period, it basically doubled what it was in 1980-1990. We are using land much faster than the population is growing. We must be wiser about how we do that.

What are some of the elements defining sprawl? Sprawl is defined as 'not smart growth.' Smart growth is considered to be well-coordinated development--coordinating development between water, sewer, school needs. Some of the problems we are facing now are:

- Low residential density
- Unlimited outward extension of new development
- Spatial segregation of different types of land uses through zoning regulations
- Leapfrog development
- No centralized ownership of land or planning of development
- Transportation dominated by privately owned motor vehicles
- Fragmentation of governance authority-land use
- Great variance in fiscal capacity of local governments
- Widespread commercial strip development along major roadways
- Major reliance on the trickle-down process to provide housing for low income households

Some of the issues to be addressed:

- Start initiating smart growth policies
- Implement HB55

One of the most important bills - an education bill – the first bill passed in the US that requires mandatory education for people who serve on planning commissions, boards of adjustment, and planning staff - including orientation before you serve. Right now, people on planning commissions learn on the job.

It causes confusion because they don't understand things very well.

- Adoption of subdivision regulations
- Many counties may have a comprehensive plan, but they haven't gone the next step to adopt land-use regulations. In order to do that, one of the issues is adopting subdivision

- regulations, which regulate how development will be developed, how roads are put in, how streams are dealt with, how storm water is taken care of, and the issues of water quality and quantity.
- Landscape regulations
 - Regional coordination
 - Regional cooperation with ADD Districts - KRS 147 encourages the creation of regional planning councils within ADD Districts, but it was never funded. You see some effort to do this in some of the ADD Districts, but it is not uniform. More coordination is needed at the regional level. Groups should work with the state planning committee to better deal with some of these issues.

Mr. Slagles presentation was followed by questions.

Question: Are impact fees legal?

Response: It depends on "who you talk to". There has been research done by the Ky. League of Cities and they feel it may be permissible, but the issue is not very clear. Many of the states actually have legislation that says impact fees are permissible - such as Indiana and Ohio. Some think it is permissible under the local autonomy of a community under the home rule, but it is not clear. I think we need to think about it, but that other groups do not necessarily share this view. The Homeowners Association feels it should not be done. I think we need to consider it more. It is a fair process that has been held up in the courts. As long as you do it correctly. You can't go out and pass these laws without making sure you are doing it fairly and that it meets certain tests. If it is done correctly, I believe it has some options.

A comment from the audience was made by Mr. Hank Graddy. Mr. Graddy suggested that the title of today's meeting be changed to "A healthy environment in Kentucky is promoting economic prosperity." He asked EQC to consider supporting a green strategy for economic development. In essence, a strategy that commits Kentucky to protecting our existing natural and cultural resources more carefully than any other state in the nation. In other words, a state policy in practice to keep our good lands and our high quality waters and air at current levels or better. And a state policy to clean up the trash, the litter, the waste, and the polluted waters and air wherever there are problems. The State of Kentucky's Environment Report for this year and previous years has noted that a significant portion of Kentucky's waters, air are not in good quality and it also notes that we have made little progress in improving these resources over the years. That should change. We should commit to get all of our streams and air in excellent condition. All water should be safe to swim, fish, and drink.

Mr. Graddy noted that this is an economic prosperity strategy because economic development is driven by quality of life. People who are the best and the brightest at creating new jobs have a choice of where to go. One of the factors most likely to decide that choice is the environment they are going to go into. If you get to choose where to go to work, you will go to work in the place that has the best quality of life. That is a strategy that if we embraced it would, in my opinion, help attract the kinds of business initiatives to this state that we want to attract. A strategy that commits this state to providing the best environment, becomes the place where people want to live, people want to raise their children, people want to grow old and retire in; a place that has the highest quality of life. This state becomes more capable of growing if we commit to having the highest quality environment in the nation, not the lowest. The Smart Growth Task Force recognized protecting Kentucky's environmental quality as part of where we should be going, but I don't believe they have made it a central part of what should drive growth in the state. The Kentucky long-term agriculture policy has also recognized that protecting Kentucky's environmental quality may be a way to add a marketed advantage to Kentucky

products. One of the features is that Kentucky has the Agriculture Water Quality Act, which requires every farm in the state to have a farm plan that will protect water quality. We are the only state in the nation that has this law.

Mr. Graddy indicated that we have a statute in Kentucky that says that regulations to protect the environment can be no more stringent than the national standards. In other words, we have a law that says that we will protect the environment as little as is required by federal law. That is backwards. This law should be repealed and replaced with a law that says we will search the nation to find the highest level of protection that any other state has and we will meet that level of protection. We should have the highest quality environment, not the lowest quality, lawfully attainable. One aspect of environmental protection and one aspect of smart growth is diversity. There is no such thing as a silver bullet to solve every community's problems. Our smart growth strategy, our long-term agricultural strategy, our environmental protection strategy must be based upon the uniqueness of each county and community, and protected as part of our environmental protection strategy. That is why, as we grow, we grow smartly; grow with the highest standards for environmental protection so as we grow this state into prosperity we don't let growth destroy that goose that laid the golden egg. Thank you very much.

Local Role in Shaping Healthy Livable Communities

Jean Hibberd, President of Communities by Choice, Berea, Kentucky.

The Chair next introduced Ms. Jean Hibberd, President of Communities by Choice, Berea, Kentucky. Communities by Choice works with communities to advance sustainable development. Ms. Hibberd will share her views of ways and opportunities for the state and communities to promote sustainable development.

Ms. Hibberd noted that population growth and increasing patterns of consumption, accelerated extinction of species, created inequalities in the distribution of wealth and global warming, and the recent terrorists attacks have forced us to ask the question, 'How can we all live together on earth? And sustainable development is an attempt to answer this question. The goal of development is to make people better off over the long-term. And improve their lives. Sustainable development is defined as a decision-making process that considers the long-term economy, ecology and equity of all communities. The difference between growth and development is that growth is about getting bigger and producing more. Development is about getting better. We would like to see states, individuals and communities replace the three Cs decision making--decision based on cost, comfort, and convenience--with the three Es decision making--decisions based on economic, ecology and equity of communities. The government cannot legislate sustainable development, but there are things government can do by setting examples of how citizens can take responsibility for their actions. Nine things the government can do to help promote sustainable development is:

1. **Recognize Interdependence** - Sustainable development is an interdisciplinary approach to development that acknowledges (as John Muir once said) that everything is connected to everything else. We must acknowledge the economic, social and environmental consequences of policy options and understand how they are linked. We must bring people from different disciplines, different perspectives and different economic backgrounds together to make decisions. We also must act at all levels from household to international. At the local level, we encourage this through the organization of sustainable community action teams. At the state level, it can be done through interagency working groups or task forces. At the regional level, we have cooperative planning groups like N. KY Planning Group and Bluegrass Tomorrow. There are multi-state regional groups forming as well. The key point: We can act in isolation but we'll eventually deal with the consequences.

2. **Demonstrate Commitment** - A commitment to sustainable development requires leadership. If Kentucky is committed; the governor should issue an executive order promoting sustainable practices within state government. This commitment should be long-term.
3. **Employ 3 Es decision-making** – Make decisions based on the Economy (the management and use of resources to meet household and community needs), Ecology (the pattern of relationships between living things and their environment), and Equity (fairness).
4. **Reach out to citizens, communities, businesses and organizations**
 - Cannot force it on communities or businesses, but many are ready;
 - Partnerships with existing groups;
 - Coordinate efforts to market Kentucky-based sustainable products and services and encourage development of environmental technologies;
 - Promote development of a sustainable business network;
 - Develop resources to support organizations adopting sustainable practices (training, Web site, listserve, case studies);
 - Develop a range of incentives to make investments in sustainable businesses and practices more attractive;
 - Learn from other communities and states.
5. **Commit to building long-term capacity**
 - Traditional decision-making structure is not inclusive enough, we need new models for decision-making;
 - Build social capital--the invisible infrastructure needed for informed community decision-making (support training for local facilitators, promote consensus decision-making, network groups);
 - Acknowledge the role of community capacity-building in community economic development by funding local capacity-building efforts.
6. **Redirect Resources**
 - Establish a 3 E's Screen for all state-funded community economic development projects;
 - Broaden the guidelines for how economic development dollars can be spent (particularly coal severance tax funds);
 - Engage universities in support of sustainable development through, education, research and technical assistance;
 - Leverage other sources of funding
7. **Support Development of Diversified Local Economies**
 - Provide economic literacy training;
 - Support development of regional/local food systems;
 - Encourage sustainable agriculture and safe food movement;
 - Value nonprofit sector;
 - Promote living wages (Ralph Nader--“A society that has more justice, needs less charity.”);
 - Encourage green businesses and the knowledge economy (Cultural Creatives)
 - Target distressed areas for assistance (they will contribute to sprawl and growth of urban areas if we don't help to resolve their problems)

8. Value Ecological Services

- Account for the depletion of nonrenewable resources (via community trust funds);
- Build the economy around things that will last;
- Steward resources for highest long-term value—not just economic value but ecological and social value (Value the ecological services that forests provide such as clean water, water quantity, prevention of soil erosion, biodiversity and CO2 sequestration.)

9. Demonstrate Accountability

- Establish goals, benchmarks and indicators for measuring progress (Start with Kentucky Long-term Policy Center benchmarks?);
- Develop and maintain a Web site describing states plans, actions and accomplishments and highlighting success stories;
- Redefine how we measure statewide development progress (quit counting number of jobs created or new manufacturing plants and measure changes in people's well-being)

Kentucky is known for many things. Sustainable development is not one of them. We hope to change that. Mark Twain noted that when the end of the world comes, he wanted to be in Kentucky because it's 20 years behind. We won't make it if we're 20 years behind on sustainable development.

Question: Do you go to city councils and talk to them?

Response: Yes, when I'm invited--more out of state than in state.

Local Role in Shaping Healthy Livable Communities

Molly Turner, Director of Community Development with Owsley County Action Team.

The final speaker was Molly Turner, Director of Community Development with Owsley County Action Team. Ms. Turner noted that sustainable development in Owsley County and in many local areas is going to require local capacity building. In an area such as Owsley County we think about the infrastructure and the water and sewer and the industrial parks, and spec buildings, but leadership and capacity and having a knowledgeable citizenry is just as important. This is something that back in 1992 a small group of Owsley Countians began to work on--a plan of action because they were concerned about the quality of life in Owsley County and the economic conditions.

The Owsley County Action Team of about 25 members meets monthly. Some of the things that have come out of the meetings were: educational needs - encouraged youngsters to stay in school, graduate and get some kind of training; formed an industrial authority, economic and industrial development; formed a goat producers association and looked for ways to diversify farming. These are just a few of the examples of the action team. The action team has become a forum for local citizens to come together discuss ideas, look at the region in the long-term to see what would be good for Owsley County in protecting the resources, the water, timberland. Some of the ways the Action Team has had an effect on others, not just local people, is it has built some leadership and elected officials that work in local government. The Action Team continues to try to assist local officials to make wiser decisions and choices that will benefit Owsley Countians in the long-term. Local and city government has been very supportive in the Action Team and has taken part in meetings. The action team has encouraged officials to look and think and plan to make Owsley County a better place. One concern in Owsley County is quality of life. It is a beautiful place and a good place for children to grow up—in a sense. Of course, there are things that are lacking but these are quality of life issues such as art, music, cultural events and things to do. Somewhere we have to realize that economic development will not come in Owsley County until the quality of life improves and it is all tied to the improving the environment. We were

fortunate in being funded by the Mary Reynolds Babcock Foundation, a foundation to work with community problem solving for a five-year program. We were very lucky to be involved with the Mountain Association of Economic Development Sustainable Community's Initiative Program. We are now somewhat on our own and hoping to keep moving as a community organization.

Question: What is the industry in Owsley County?

Response: In Owsley County we have one data entry plant, nursing homes, but the biggest employer is the school system and farming.

Question: Do you expect to continue the Action Team without funding?

Response: We still have a small amount of funding through the Mary Reynolds Babcock Foundation and of course we're applying for private grants. We had hopes that the some of the Coal Severance Tax could be used.

Question: What type of growth would you like to see in Owsley County?

Response: I'd like to see something at the Industrial Park for people who have been farmers could do such as tool and die with people being able to stay in Owsley County.

The Chair thanked all the speakers for coming to the meeting. She stated that EQC would review the information and prepare a set of findings to be made public in the next few months.

Other Business

- ❑ U.S. EPA response to EQC recommendation on Martin County Coal Slurry Spill
EQC reviewed its response from the U.S. EPA regarding the commission's recommendations regarding the Martin County Coal Slurry spill. Commission members were not satisfied with the agency's response regarding the process to inform the public about restoration activities. The Commission instructed Ms. Cole to review this issue and will review this matter further at a future meeting.
- ❑ EQC Budget
 - The good news is we did not suffer any budget cuts. The bad news is there is a second round of budget cuts coming and we may not be out of the woods.

There being no further business, the meeting adjourned at 4:30 p.m. The next meeting is the annual EQC work session to set 2002 priorities, scheduled Oct 18 and 19.